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CRS #XZ4R084M

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ELECTRONIC SUBMISSION TO: <http://dms.dot.gov> Docket #5836

Docket Management System
U.S. Department of Transportation
400 Seventh Street, S.W.
Room Plaza 401
Washington, D.C. 20590-0001

RE: FAA—1999—5836

PROPULSION TECHNOLOGY, LLC is a repair station certificated under Part 145 of the Federal Aviation Regulations (FARs) with 70 employees. After thoroughly reviewing the Federal Aviation Administration's (FAA) estimated burden of the new Part 145, we find that many costs have been overlooked and/or not realistically calculated.

We have reviewed each specific paragraph contained in the cost estimate and respectfully submit the following observations and calculations:

With respect to applications submitted under § 145.51, we believe it will take more than 19 minutes to complete an application for a repair station certificate or apply for a change to that certificate. The process for submitting an application is more complicated than merely filling out the paperwork. At a minimum, the FARs must be obtained and read, a pre-application meeting must take place with the FAA and further guidance material must be reviewed and assimilated. Then, the specific Information provided on the application must be researched and verified for accuracy.

We estimate it will take 2 hours to research the regulations and ensure that the proper information has been obtained prior to completing the application form. Completion of the application itself is estimated at 30 minutes. The typing of the application may be accomplished by personnel making the \$15.00 per hour estimated by the FAA; however, the cost per hour of the other individuals involved is much more substantial.

Under the new rule, accountable managers are responsible for ensuring regulatory compliance. The individual in this company who will be appointed to that position is paid \$ 38 per hour. The total cost associated with applying for a new repair station certificate for this repair station would be \$95.

The FAA's estimate of 500 occurrences account for the requirement to apply under § 145.51 whenever additional ratings are added or facilities are added or changed, or in the event of sale. Under the current rating system, this repair station must update its ratings approximately 12 times per year. The time it takes to make an application for a change or addition to our ratings is estimated at 2 hours. The hourly cost is estimated at \$38, making the total cost approximately \$912.

With respect to the new requirement to create a repair station manual under § 145.51(a)(1), the FAA estimates that it will take a repair station 80 hours at \$15 per hour to complete. Again, the cost fails to recognize who in the repair station must compile the manual. The information required is substantive and calls for the professional expertise of several employees, all of who make a minimum of \$38 per hour. Additionally, while the task is being accomplished, these employees will not be performing their normal job functions. Therefore, we estimate that the actual cost be double the hours estimated by the FAA—80 hours to research, write and review the repair station manual. While that is being accomplished, the company will sustain a deficit of 80 hours since the employees will not be accomplishing normal work. The actual anticipated cost is \$6080.

Finally, no allowance has been made for maintenance and/or revision of the document. We maintain our manuals as "living" documents and anticipate that the repair station manual will have to be changed at least 2 times a year. From experience, we believe the revisions will take approximately 5 hours that it will be accomplished by persons receiving \$38 per hour for a total cost of \$380.

Although the requirements for the quality control manual under § 145.51(a)(2) are generally the same as the current regulations covering inspection procedures manuals, this repair station hopes to incorporate all requirements under one manual. Therefore, we believe that the 40 hours estimated by the FAA may be accurate, however, the hourly rate will not be \$15.00 per hour, but \$38 per hour. Again, the FAA's estimate does not take into account changes to the manual that will be necessary on a yearly basis. We anticipate that we will be making 4 changes a year. These revisions will be accomplished in approximately 3 hours for a total additional cost of \$456.

Although the requirement to develop a list of articles (§ 145.51(a)(3)), an organization chart (§ 145.51 (a)(4)), and a description of facilities (§ 145.51 (a)(5)) relates to applications, it will be necessary for all repair stations to develop

these documents to comply with §145.209. This will be accomplished by persons making \$35 per hour rather than the \$15.00 per hour estimated by the FAA. Additionally, since these are items not required by the current regulations, the time spent on these documents means time away from the regular business of the repair station. Therefore the 16 hours estimated by the FAA will result in an actual expenditure of 32 hours for a total cost of \$1120.

The list of maintenance functions to be performed by contract (§ 145.51(a)(6)) will be regularly updated and each change must be approved by the Administrator per § 145.217. We estimate changing the list of maintenance functions at least 2 times a year. We believe each change will require 2 hours to complete. This estimate includes the anticipated communications with the FAA to ensure the list is accurate and is approved in a timely manner. These functions will be accomplished by a person making \$35 per hour for a total cost of \$140.

The FAA has estimated that the number of times a repair station will change the housing and facilities required by § 145.103 will be 600. Under § 145.105 any time a repair station makes a change that could have a “significant impact” on its ability to perform its work properly, the change must be approved by the FAA. Section 145.103(a)(2)(i)-(v) describes the facilities that are necessary for properly performing work. These include work space, ventilation, lighting and temperature control. This repair station adjusts and reorganizes its work space and makes improvements or significant repairs to its environmental conditions on a yearly basis. If these activities are included as the type that “could have a significant effect” on our ability to perform work properly, we anticipate that it will take a person making \$20 per hour 5 hours to obtain the FAA’s approval of the activities. Since this could happen on a yearly basis, we believe the FAA underestimated the number of occurrences as well as the cost of each occurrence.

The FAA estimated that applications for and establishing compliance with the rule pertaining to satellite repair stations (§ 145.107) will take 8 hours at \$15.00 per hour. Once again, estimates fall far short of realistic timetables for task completion. The application for a satellite repair station must be coordinated within the company and with several offices of the FAA. At a minimum, the application, the ratings and the repair station and quality control manuals must be reviewed and accepted by 4 individuals within the 2 company locations that will be involved in the application and compliance process. The average hourly rate for these positions is \$40. We anticipate that developing the necessary

coordination on ratings and manuals between the company and the FAA will take 40 hours for a total cost of \$1600.

Since this repair station currently has a training program [because we work for air carriers and must comply with § 145.2], we estimate the cost of implementing the new § 145.163 as follows:

1. Ensure formal training program covers all employees performing maintenance, preventive maintenance, alteration or inspection functions. 40 hours at \$35 per hour = \$1400.
2. Comprehensive review of current training requirements for each of our 50 employees who currently perform covered work to ensure initial and recurrent training was required for each. 40 hours at \$ 35 per hour = \$1400.
3. Review documentation requirements to system can be approved by the FAA. 10 hours at \$ 35 per hour = \$350.
4. Submission of the training program for approval by the FAA, including all meetings, telephone conversations, corrections, additions and meetings necessary to obtain approval. 5 hours at \$35 per hour = \$175.
5. Cost of complying with the new regulations on an ongoing basis, including submitting changes to the program, training of new hires, recurrent training of all employees and recordkeeping burdens.
 - a. Submitting changes: 10 times a year X 2 hours X \$35 per hour = \$700.
 - b. New hires: 10 per year X \$1000 training costs = \$10,000.
 - c. Recurrent: 50 employees X \$1000 training costs = \$50,000.
 - d. Recordkeeping: 10 records per employee = 1 hour of recording and maintaining records per year X \$20 per hour = \$200.

Total cost of complying with the new regulation will be \$64225 If our current training program is not approved by the FAA, the cost of rewriting the program and retraining employees would be significant.

With respect to compliance with §145.161, this repair station currently keeps a roster of its supervisors and inspectors as required by §145.43. Therefore, we must add our managerial personnel and implement a system to ensure changes are made within 5 days. We estimate this additional burden will require 15 hours \$20 per hour for a total cost of \$300

This repair station will choose to comply with § 145.215. We have estimated the cost of developing and implementing a system to show compliance as follows:

1. Developing a current capabilities list by make and model or other nomenclature designated by the manufacturer in a format acceptable to the FAA. Eight hours at \$35 = \$280.
2. Developing a self audit program as required by §145.215(c), including:
 - a. Developing the procedure and checklist. Five hours at \$35 per hour = \$175.
 - b. Developing and maintaining a recordkeeping system. Ten hours at \$35 = \$350.
3. Developing a system for updating the FAA and for ensuring updates are received and acknowledged. Cost includes an estimate of time to follow up with the FAA to ensure receipt if an acknowledgement is not received. Ten hours at \$35 = \$350.

Total cost for implementing a procedure to comply with § 145.215 is estimated at \$980.

Section 145.221 requires the repair station to file a report on every article that it receives. The repair station must report every “failure, malfunction or defect” of an article it discovers. Article is defined as an aircraft, airframe, aircraft engine, propeller, appliance or component part. This repair station makes its livelihood from performing maintenance on articles that have experienced failures or malfunctions. That is the reason they are sent to our facility. When we perform a teardown of an article we find items (other articles) that have also experienced failures or malfunctions. A plain read of the regulation indicates that this repair station would have to file 3800 reports per year. We estimate that it would take 1 hours to gather the data required for each report, complete the report in a format acceptable to the FAA, make the report to the FAA and ensure its receipt. The cost per hour would be \$20, with a total cost per year of \$76,000.

Finally, the FAA has estimated the cost of Recordkeeping, § 145.219, at \$3.75 for 15 minutes of work at a rate of \$15.00 per hour. Respectfully, we submit that no portion of accurate and professional recordkeeping can be completed in 15 minutes for \$3.75. Although we recognize that we are currently required under § 145.61 to keep similar records, our time estimate for ensuring all records are in English is 2 hours at an hourly rate of \$ 20.

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We hope that the descriptions above, will verify our position that the FAA has undervalued the time and expense burden of complying with the new Part 145 paperwork requirements. The total cost of complying with the new regulation for this repair station is estimated at \$152,428.

Sincerely,

Edward Buchanan
Quality Manager

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